

U.S. DEPARTMENT OF COMMERCE Office of Inspector General



CENSUS BUREAU

The Census Bureau's Administration of Joint Statistical Projects

Final Inspection Report No. SED-5049-3-001/February 1993

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MEMORANDUM FOR

Dr. Harry A. Scarr

Acting Director

Bureau of the Census

FROM:

Frank DeGeorge

SUBJECT:

Final Report on Inspection of the Census Bureau's

Administration of Joint Statistical Projects (SED-5049-3-0001)

This memorandum transmits our final report on the inspection of the Census Bureau's administration of the authority to participate in joint statistical projects with nonprofit institutions. The report includes comments from your written response to our draft report as well as excerpts from the Office of General Counsel's legal opinion on the applicability of the Federal Grant and Cooperative Agreement Act of 1977 to the Secretary's joint statistical project authority. A copy of your written response is included as an attachment to the report.

Our inspection concluded that Census had misused the authority to engage in joint statistical projects in order to avoid complying with federal financial assistance and procurement laws and regulations. The inspection further concluded that Census had not demonstrated a need for a special funding instrument. In our draft report, we recommended that Census take appropriate steps to ensure that future participation in joint statistical projects is administered in accordance with federal financial assistance and procurement laws and regulations.

Although you agreed to all of our inspection recommendations, we are concerned about your plan to assess the need for additional legislative authority under Title 13 to meet your "legitimate JSA requirements." We would oppose any legislative proposal to authorize the use of a special funding instrument or to exempt the Census Bureau from the responsibility for complying with federal financial assistance and procurement laws and regulations.

We appreciate the cooperation and courtesies extended by your staff during the inspection.

Attachments

cc:

James K. White

Hugh Brennan

Sonya Stewart

Clyde McShan

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OFFICE OF INSPECTOR GENERAL FINAL INSPECTION REPORT ON THE CENSUS BUREAU'S ADMINISTRATION OF JOINT STATISTICAL PROJECTS

EXECUTIVE SUMMARY

We conducted an inspection of the Census Bureau's administration of its statutory authority to participate in joint statistical projects with nonprofit organizations as provided by section 8 of Title 13, U.S.C. Our inspection had three objectives:

- (1) to determine whether the bureau's policies and procedures for administering its authority are adequate and comply with the Department's policies and procedures,
- (2) to evaluate the bureau's implementation of these policies and procedures, and
- (3) to determine whether changes or improvements are needed to ensure that this authority is properly administered and that the Department's interests are protected.

We became concerned about the Census Bureau's use of joint statistical agreements (JSA) during our recent inspection of its information resources planning for the mid-decade. We found that the bureau was using JSAs rather than conventional funding instruments such as contracts, grants, and cooperative agreements, to define responsibilities and cost-sharing arrangements under joint statistical projects. We questioned

- -- whether the statutory authority delegated to the Director of the Census Bureau included authorization for a special funding instrument,
- -- whether this authority exempted the Census Bureau from responsibility for complying with the federal laws and regulations that govern relationships and the transfer of federal dollars between federal agencies and nonprofit organizations, and
- -- whether the JSAs were used exclusively for joint projects, as the law requires.

The Census Bureau agreed to seek a written legal opinion from the Department's Office of General Counsel clarifying the scope of its authority under section 8 of Title 13, U.S.C. In addition, Census agreed to refrain from executing any additional joint statistical agreements until the legal opinion has been rendered. We informed the bureau that we would conduct an inspection of its participation in joint statistical projects. The results of the inspection are the subject of this report.

The major findings of our inspection are as follows:

- Census has not justified the use of a special funding instrument for joint statistical projects. The Census Bureau has taken the position that the authority to engage in joint statistical projects includes authorization for a special funding instrument as well as an exception from the responsibility for complying with the Federal Grant and Cooperative Agreement Act of 1977 and related federal procurement and assistance laws and regulations. We found no basis for the Census Bureau's position. In addition, we found that the Census Bureau had never obtained a written legal opinion clarifying the scope of the authority delegated to the Director of the Bureau of the Census under section 8 of Title 13, U.S.C. In the absence of a written legal opinion, we concluded that the bureau could not justify the continued use of a special funding instrument in lieu of a legal instrument such as a contract, grant, or cooperative agreement. At our request, the Census Bureau agreed to seek a written legal opinion from the Department's Office of General Counsel clarifying the scope of the authority to engage in joint statistical projects. The bureau also agreed to refrain from executing any additional joint statistical agreements until the legal opinion has been rendered. (See page 5.)
- Census' policies and procedures on joint statistical projects are inadequate. We found that the policies and procedures contained in CAM Chapter K-21 do not provide adequate guidance or management controls. The chapter does not provide guidance on the appropriate use of joint statistical agreements, the special funding instrument used by the bureau to define relationships between participating parties under joint statistical projects. Nor does it reference the federal laws and regulations and Department of Commerce policies and procedures that should be followed in administering joint statistical projects. In addition, we found that Census had not delegated to a specific administrative management official the authority and responsibility for ensuring that the bureau's participation in joint statistical projects is administered properly, in accordance with relevant laws, regulations, policies and procedures. In the absence of adequate policies and procedures and formal delegations of authority and responsibility, we concluded that the Census Bureau cannot guard against the improper use of JSAs or assure compliance with federal financial assistance and procurement regulations. (See page 6.)
- Joint statistical agreements have been misused. We examined a selected sample of JSAs to determine whether these agreements were being used for joint projects, as the law requires. In the absence of a formal definition for the term "joint statistical project," we examined these JSAs to determine whether any of them appeared to have been jointly defined, jointly performed, focused on a mutual objective, or culminated

in a joint product. We found only one JSA that possessed any of these characteristics. Rather, the primary purpose of most of the JSAs we examined appeared to be the acquisition of services for the bureau's direct benefit and use. The Federal Grant and Cooperative Agreement Act of 1977 directs executive agencies to use a form of service contract for this purpose. We concluded that the Census Bureau should have used contracts to acquire these services. (See page 7.)

- Noncompetitive agreements with nonprofit organizations were not justified. Department of Commerce policy allows operating units to undertake joint projects only when both of the following conditions exist: (1) the project is essential to the furtherance of the Department's program, and (2) the project cannot be done at all or done as effectively without the participation of the particular nonprofit, research, or public organization. This policy has been incorporated in Chapter K-21 of the Census Administrative Manual. However, we found that the Census Bureau does not require program offices to certify that proposed joint projects with particular nonprofit organizations comply with this policy. The types of services performed under most of the JSAs we examined could have been performed by any number of qualified nonprofit or for-profit research institutions, universities, or firms. In the absence of written certification that the projects proposed for noncompetitive funding require the participation of the particular nonprofit organizations, Census cannot demonstrate that its noncompetitive agreements with nonprofit organizations were justified. (See page 10.)
- Census does not enforce the required cost-sharing provisions of joint statistical projects. Section 8 of Title 13, U.S.C., and Department of Commerce policy contained in Department Administrative Order 203-5, "User Charges" require that operating units equitably apportion the full costs of joint statistical projects between the participating parties. However, we found that Census administers its JSAs with nonprofit organizations like fixed-price contracts rather than cost-sharing agreements. We found no evidence that the bureau examines documentation on actual costs to ascertain whether the costs claimed are reasonable and necessary before authorizing payments to nonprofit organizations. The Census Bureau has awarded approximately 143 JSAs to nonprofit organizations since fiscal year 1989 at a total estimated cost of \$6.5 million. We found that the bureau's payments to nonprofit organizations are made in accordance with fixed schedules set forth in the JSAs, not based on actual costs. Without exception, we found that the bureau's total payments to nonprofit organizations equaled the cost estimates stated in the original JSAs and amendments. (See page 10.)

We recommended that the Census Bureau implement the following actions to address the findings of our inspection:

- 1. Refrain from executing any new JSAs or amending any existing ones pending the receipt of a written legal opinion from the Department's Office of General Counsel on the scope of the bureau's authority under section 8 of Title 13, U.S.C., and the application of the FGCA Act to the type of funding instrument to be used.
- 2. Delegate to a specific management official the authority and responsibility for ensuring that the Census Bureau's participation in joint statistical projects is administered properly, in accordance with relevant federal laws and regulations and Department of Commerce policies and procedures.
- 3. Amend or revise the policies and procedures contained in Chapter K-21 of the Census Administrative Manual to address the findings of our inspection and to ensure that they comply with federal financial assistance and procurement laws and regulations and related Department of Commerce policies and procedures.

Our detailed recommendations begin on page 12.

On November 6, 1992, the Census Bureau received a written legal opinion from the Department's Office of General Counsel on the applicability of the Federal Grant and Cooperative Agreement Act of 1977 to Census' authority to engage in joint statistical projects. OGC concluded that joint arrangements are included within the scope of the FGCA, and, thus, must be executed as procurement contracts when they involve the acquisition of property or services for the direct benefit of the government or as cooperative agreements when they involve the transfer of funds or a thing of value to a non-Federal recipient. OGC further concluded that the authority to engage in joint arrangements constitutes neither special procurement authority nor grant authority.

In its response to our draft report, the Census Bureau agreed to all of our inspection recommendations. The Census Bureau plans to work with the Office of the Secretary to ensure that joint statistical projects are administered in accordance with federal financial assistance and procurement laws and regulations and related Department of Commerce policies and procedures. The Census Bureau also plans to revise the policies and procedures contained in Chapter K-21 of the Census Administrative Manual to conform with these laws, regulations, and policies, and to delegate to a specific management official the authority and responsibility for ensuring that the Census Bureau's participation in joint statistical projects is administered properly.

INTRODUCTION

Pursuant to the Inspector General Act of 1978, as amended, we conducted an inspection of the Census Bureau's administration of its delegated authority to participate in joint statistical projects with nonprofit institutions. Inspections are special reviews that the Office of Inspector General undertakes to provide agency managers with timely information about operations, including current and foreseeable problems. Inspections also are conducted to detect fraud, waste, and abuse of budgetary resources and to encourage effective, efficient, and economical operations. By highlighting problems, the OIG intends to help managers move quickly to address them and to avoid them in the future. Since inspections are designed for quick corrective action by agency managers, they generally do not include the detailed analysis associated with a management audit. Our work was conducted in accordance with the *Interim Standards for Inspections* issued by the President's Council for Integrity and Efficiency.

BACKGROUND

The Secretary of Commerce has been granted authority under sections 1525 through 1527 of Title 15, U.S.C., to participate in joint projects with nonprofit institutions on a cost-sharing basis. This authority was delegated to the heads of all Commerce operating units in accordance with policies and procedures set forth in Department Administrative Order 203-5, "User Charges." In addition, the Secretary of Commerce has been granted separate authority under section 8 of Title 13, U.S.C., to participate in joint statistical projects with nonprofit institutions on a cost-sharing basis. This authority was delegated to the Director of the Census Bureau in accordance with Department Organization Order 35-2A, "Bureau of the Census."

The Census Bureau's policies and procedures for participating in joint statistical projects with nonprofit organizations are contained in Chapter K-21 of the Census Administrative Manual dated December 18, 1980. This CAM chapter includes policies and procedures revised in response to a 1978 audit conducted by the Office of the Secretary. The Census Bureau recently drafted new policies and procedures for awarding joint statistical agreements for inclusion in CAM Chapter K-21. A draft copy of the revised policies and procedures was provided to us during the inspection.

The Census Bureau developed and uses a special funding instrument called a "joint statistical agreement" instead of a conventional funding instrument such as a contract, grant, or cooperative agreement, to define responsibilities and cost-sharing arrangements and to authorize the exchange of funds between the bureau and nonprofit organizations under joint statistical projects. The bureau has used JSAs to acquire services from state and local

government agencies and nonprofit organizations for the past 30 years. Policies and procedures for formulating and administering JSAs are contained in CAM Chapter K-21.

However, the Census Bureau's use of JSAs has evolved over the past 14 years. A 1978 audit conducted by the Office of the Secretary of the Census Bureau's administration of these agreements reported that 95 percent of the 198 JSAs awarded by the Census Bureau in 1977 and 1978 were with state and local government agencies. The report stated that these JSAs were used to acquire services from the agencies in support of the bureau's Geographic Base File/Dual Independent Map Encoding Program. In exchange for their assistance, the bureau reimbursed them for their costs and provided them with copies of the maps produced from the base file. The audit report stated that Census spent approximately \$6 million on JSAs in fiscal year 1977 and during the first four months of fiscal year 1978, and that it planned to spend an additional \$2 million on JSAs during the remainder of fiscal year 1978.

Today, the Census Bureau uses JSAs to acquire a broad range of services from nonprofit organizations. Information on JSAs awarded between 1979 and 1988 was not available at the time of our inspection. However, information provided to us indicates that Census has awarded approximately 143 JSAs since fiscal year 1989 at a total estimated cost of \$6.5 million. Most of the JSAs executed during the past four years were with nonprofit research institutions or universities for amounts less than \$50,000. Total expenditures for work performed under JSAs may actually be higher since our estimate does not include information on the costs of extensions to these awards or of JSAs awarded before fiscal year 1989 but funded in later years.

A detailed listing of JSAs awarded since fiscal year 1989 is included as Appendix 1. The following chart depicts the number of JSAs awarded since fiscal year 1989:

Census Bureau Joint Statistical Agreements (JSA)										
Fiscal Years 1989 - 1992										
FUNDING RANGE	NUMBER OF JSAs	TOTAL BUREAU FUNDING								
Less than \$20,000	63	\$ 831,253								
\$ 20,000 - \$ 49,000	50	1,602,603								
\$ 50,000 - \$ 99,000	19	1,386,007								
\$100,000 - \$199,000	7.	914,787								
\$200,000 - \$299,000	2	480,000								

Census Bureau Joint Statistical Agreements (JSA)								
Fiscal Years 1989 - 1992								
FUNDING RANGE	NUMBER OF JSAs	TOTAL BUREAU FUNDING						
Greater than \$400,000	1	960,000						
TOTAL:	143	\$ 6,468,033						

We became concerned about the Census Bureau's use of JSAs when we examined a number of agreements between the bureau and universities during our recent inspection of Census' ADP planning for the mid-decade. We communicated our concerns to the Census Bureau Deputy Director and members of his senior executive staff at a meeting on July 28, 1992. We informed the Deputy Director that we planned to inspect the bureau's administration of its delegated authority to participate in joint statistical projects with nonprofit institutions.

PURPOSE AND SCOPE

The purpose of our inspection was to evaluate the Census Bureau's administration of its authority to participate in joint statistical projects under section 8 of Title 13, U.S.C. Our inspection had three primary objectives:

- (1) to determine whether the Census Bureau's policies and procedures for administering its authority are adequate and comply with the Department's policies and procedures for participating in joint projects,
- (2) to evaluate the bureau's implementation of these policies and procedures, and
- (3) to determine what changes or improvements are needed to ensure that the bureau's authority is administered in accordance with section 8 of Title 13, U.S.C. and Department of Commerce policies and procedures.

The scope of our review included all aspects of the bureau's administration of this authority. We examined the policies and procedures contained in Chapter K-21 of the Census Administrative Manual dated December 18, 1980, as well as a recent draft revision to the chapter. We conducted interviews with selected bureau management officials and examined documentation maintained in bureau files to obtain information on the implementation of

these policies and procedures. Our inspection also included a follow-up review of the bureau's implementation of recommendations from the 1978 Office of the Secretary audit of the Bureau's policies and procedures for administering joint statistical agreements.

We selected a sample of JSAs for more detailed review. Our sample was composed of 45 JSAs awarded to nine nonprofit organizations between fiscal years 1989 and 1992 at a total estimated cost of \$4.2 million. This represented two-thirds of the funds awarded by the bureau for JSAs during this period. The following chart depicts the amount of funding and the number of JSAs awarded to these organizations. A detailed listing of the JSAs included in our sample is provided as Appendix 2.

	Sample of Selected Census Bureau Joint Statistical Agreements									
	Fiscal Years 1989 - 1992									
	NAME OF NONPROFIT INSTITUTION	NUMBER OF JSAs	CENSUS BUREAU FUNDING							
1.	University of Chicago, National Opinion Research Center	2	\$ 1,041,649							
2.	University of Michigan	7	\$ 667,105							
3.	University of Maryland	12	\$ 488,160							
4.	Iowa State University	6	\$ 477,705							
5.	Harvard University	5	\$ 454,902							
6.	The Urban Institute	-8	\$ 324,388							
7.	University of Puerto Rico	1	\$ 315,790							
8.	Carnegie Mellon University	1	\$ 230,000							
9.	University of Illinois	3	\$ 197,500							
	TOTAL	45	\$ 4,197,199							

OBSERVATIONS AND CONCLUSIONS

I. Census has not justified the use of a special funding instrument for joint statistical projects.

The Census Bureau has taken the position that the authority to engage in joint statistical projects includes authorization for a special funding instrument as well as an exception from the responsibility for complying with the Federal Grant and Cooperative Agreement Act of 1977 and related federal procurement and assistance laws and regulations. The Secretary of Commerce is authorized by sections 1525 through 1527 of Title 15, U.S.C., to participate in joint projects with nonprofit organizations. This authority was delegated to the heads of all Commerce operating units in accordance with Department Administrative Order 203-5, "User Charges." In addition, the Secretary of Commerce is authorized by section 8 of Title 13, U.S.C., to engage in joint statistical projects with nonprofit organizations. This authority was delegated to the Director of the Bureau of the Census in accordance with Department Organization Order 35-2A, "Bureau of the Census." The FGCA Act distinguishes between federal procurement relationships and federal assistance relationships and establishes government-wide criteria for the selection and appropriate use of legal instruments.

We found that neither Title 13, U.S.C., nor Title 15, U.S.C., contain specific language authorizing the use of a special funding instrument. Nor do these laws imply such authority. Section 8 of Title 13, U.S.C., states, as follows: "In the case of nonprofit agencies or organizations, the Secretary may engage in joint statistical projects, the purpose of which are otherwise authorized by law, but only if the cost of such projects are shared equitably, as determined by the Secretary." Title 15, U.S.C., which is similarly worded, states as follows: "In the case of nonprofit organizations, research organizations, or public organizations or agencies, the Secretary may engage in joint projects, or perform services, on matters of mutual interest, the cost of which shall be apportioned equitably, as determined by the Secretary, who may, however, waive payment of a portion of such costs by others, when authorized to do so under regulations approved by the Office of Management and Budget."

In addition, we found no evidence to indicate that joint statistical projects would not be subject to the Federal Grant and Cooperative Agreement Act of 1977. The FGCA Act states, in part: "Notwithstanding any other provision of law, each executive agency authorized by law to enter into contracts, grants or cooperative agreements, or similar arrangements is authorized and directed to enter into and use types of contracts, grant agreements, or cooperative agreements as required by this Act." OMB's guidance on the implementation of the FGCA Act requires all executive agencies to comply with this Act in selecting and using appropriate legal instruments. The FGCA Act authorized OMB to grant temporary exceptions to the responsibility for complying with this law for a period of up to three years following its enactment. We found no evidence that the Census Bureau had ever

requested or received a temporary OMB exception from the FGCA Act for joint statistical projects. However, any temporary exceptions to the FGCA Act granted by OMB would have expired no later than January 1981.

We also found that the Census Bureau had never obtained a written legal opinion clarifying whether the statutory authority delegated to the Director of the Bureau of the Census included authorization for a special funding instrument or an exception from the responsibility for complying with the FGCA Act and related laws and regulations. Based on our review, and in the absence of a written legal opinion, we conclude that the Census Bureau cannot justify the continued use of a special funding instrument in lieu of a legal instrument such as a contract, grant, or cooperative agreement. At our request, the Census Bureau agreed to seek a written legal opinion from the Office of General Counsel clarifying the scope of the authority to engage in joint statistical projects and to refrain from executing or amending any joint statistical agreements until the written legal opinion has been rendered.

II. Census' policies and procedures on joint statistical projects are inadequate.

The Census Bureau's policies and procedures contained in CAM Chapter K-21 do not provide adequate guidance or management controls. This chapter does not provide adequate guidance on the appropriate use of joint statistical agreements, the special instrument used to define relationships and cost-sharing arrangements between the Census Bureau and nonprofit organizations under joint statistical projects. CAM Chapter K-21 does not include a definition for the term "joint statistical project." Nor does it describe or provide examples of the unique qualities and characteristics that define relationships under joint statistical projects. The chapter also lacks guidance to help program managers distinguish joint relationships from procurement or assistance relationships as defined in the FGCA Act of 1977. In the absence of guidance on the proper use of this special instrument, we conclude that the Census Bureau cannot guard against the misuse of JSAs or assure compliance with federal financial assistance and procurement regulations.

In addition, CAM Chapter K-21 does not provide guidance to help program offices accurately estimate and apportion the costs of joint statistical projects. Section 8 of Title 13, U.S.C., requires that the full costs of joint statistical projects be apportioned equitably between the participating organizations. Department Administrative Order 203-5, "User Charges," requires that the full costs of joint projects be determined in accordance with DAO-203-4, "Accounting Principles and Standards," and the accompanying Handbook of Accounting Principles and Standards authorized by this DAO. However, CAM Chapter K-21 does not reference these DAOs. Although the chapter states that the value of the data, services, or materials contributed by the other organization must be considered "approximately equal" to the value of the bureau's contribution to the project, it does not provide guidance to help program managers accurately estimate the costs of joint projects or

apportion those costs between the participating parties on an equitable basis. In the absence of adequate policies and procedures, we concluded that Census cannot ensure that accurate and consistent methods are used in developing cost estimates, that the methods used to estimate costs comply with the Department's accounting principles and standards, or that the full costs of joint projects are apportioned between the participating parties on an equitable basis, as required by law.

We also found that the bureau's proposed revisions to its policies and procedures on joint statistical projects would eliminate the requirement that payments to nonprofit organizations be based on actual costs. Section 8 of Title 13, U.S.C., requires that the costs of joint statistical projects be equitably shared between the participating parties. The bureau's plans to eliminate the requirement that payments be based on actual costs would be a violation of the statutory authority to participate in joint projects.

Furthermore, we found that the Census Bureau had not delegated to a specific administrative management official the authority and responsibility for ensuring that the bureau's participation in joint statistical projects is administered in accordance with established laws, regulations, policies and procedures. Planned revisions to CAM Chapter K-21 would establish a "Joint Statistical Agreement Committee" to be chaired by the Associate Director for Statistical Design, Methodology and Standards. The purpose of this committee would be to coordinate the development of an annual bureau plan for joint statistical projects. However, neither the existing CAM Chapter nor the planned revisions to this chapter delegate to a specific administrative management official the authority and responsibility for ensuring that joint statistical projects are administered in accordance with established laws, regulations and policies. In the absence of clear delegations of authority and responsibility, Census cannot guard against potential misuse of the authority to engage in joint statistical projects or assure compliance with federal financial assistance and procurement laws, regulations, and policies.

III. Joint statistical agreements have been misused.

The inspection determined that most of the bureau's JSAs with nonprofit organizations were not for joint projects. In the absence of a Census Bureau definition for "joint statistical project" or other bureau guidance on the appropriate use of joint statistical agreements, we referred to the government-wide criteria for the selection of legal instruments contained in the Federal Grant and Cooperative Agreement Act of 1977. The FGCA Act distinguishes between federal procurement relationships and federal assistance relationships. In addition, the law establishes the primary purpose of a relationship between an executive agency and a non-federal recipient as the principal criterion to be used in selecting an appropriate legal instrument. We applied this criterion to the JSAs included in our sample to determine whether the primary purpose of the relationships defined in the bureau's JSAs with nonprofit

organizations differed from the relationships typically defined in contracts, cooperative agreements, and grants.

We examined the JSAs to determine whether they appeared to be jointly defined, jointly conducted, focused on a mutual objective, or culminated in a joint product. We found only one JSA that possessed any of these characteristics. Under this JSA, the Census Bureau and the Urban Institute co-authored two papers on methods of counting homeless persons. We find it conceivable that the Census Bureau could have used a cooperative agreement as the legal instrument defining its relationship with the Urban Institute under this joint project.

None of the relationships defined in the JSAs we examined appeared to be assistance relationships as defined in the FGCA Act. The FGCA Act directs executive agencies to use a grant or a cooperative agreement as the legal instrument whenever the primary purpose of the relationship is "the transfer of money, property, services, or anything of value to the recipient in order to accomplish a public purpose of support or stimulation authorized by Federal statute...." The Census Bureau would need to obtain separate legal authority to enter into purely assistance relationships. However, the accomplishment of a "a public purpose of support or stimulation" did not appear to be the primary purpose of any of the JSAs we examined.

The relationships defined in most of the JSAs we examined were virtually indistinguishable from those defined in conventional service contracts between executive agencies and non-federal contractors in which the contractor performs specific services for an agency in exchange for a fee. Although Census claimed the recipients of JSAs also got some benefit, we concluded that the primary purpose of most of these agreements was the acquisition of services for the direct benefit and use of the Census Bureau. The FGCA Act directs executive agencies to use a form of contract whenever the primary purpose of the relationship is "the acquisition, by purchase, lease, or barter, of property or services for the direct benefit or use of the Federal Government."

In addition, we found that Census has used JSAs interchangeably with contracts in acquiring a broad range of similar services for its direct benefit and use. These services include technology services, technology assessment, statistical analysis, methodological research, and minority-focused and special populations research. Detailed descriptions of the JSAs examined during our inspection are contained in Appendix 2. Examples of the services acquired by the Census Bureau using JSAs include:

• \$960,000 to the National Opinion Research Center, University of Chicago, to design, conduct, and analyze the results of a Census Bureau survey of attitudes and characteristics affecting the decision to participate in the Decennial Census (JSA-90-22). Deliverables provided by the university under this JSA included periodic

progress reports, a draft and final report, and a data tape, a code book, and copies of the survey questionnaire,

- \$245,000 to the University of Maryland to plan and conduct advanced computer studies on Census Bureau computing applications with an emphasis on parallel computing, and to educate and train Census Bureau staff in advanced computing techniques (JSA-89-20, 91-10, and 91-33),
- \$110,000 to the University of Maryland for the development and implementation of algorithms for performing complementary suppression in three-dimensional statistical tables using FORTRAN (JSAs 89-14, 90-31, and 91-19). Deliverables provided by the university under these JSAs included FORTRAN software designed to run on Census Bureau IBM PC/AT microcomputers and a draft and final report of the work performed under the JSA, and
- \$82,000 to the NORC, University of Chicago, for a statistical analysis of the total error in the bureau's 1990 Post-Enumeration Survey (JSA-90-60). Deliverables provided by the university under this JSA included a draft and final report.

The Census Bureau recently awarded eight contracts for the acquisition of these categories of advisory and assistance services in support of planning for the 2000 Decennial Census. At least two of these contracts were awarded to nonprofit research organizations that have performed these types of services for the bureau in the past under JSAs. The Department's Advisory and Assistance Services Review Panel has given the Census Bureau approval to expend up to \$1 million under these contracts. However, the bureau anticipates that the services to be acquired using these contracts may eventually exceed \$5 million. Should it become necessary to do so, the bureau plans to request the Panel's approval to raise the current approved spending limit for these contracts.

Census management officials interviewed during our inspection acknowledged that they preferred to use JSAs rather than contracts in acquiring statistical analysis services. Most of the managers interviewed indicated that JSAs enabled them to acquire services more quickly and with less "red tape" than was possible with contracts. The long lead times, the difficulties associated with developing detailed work specifications for statistical projects, and the cumbersome competitive selection procedures were the reasons most often cited against the use of contracts. Despite these explanations, we conclude that the Census Bureau cannot justify the continued characterization of procurement relationships as joint statistical projects. In view of our finding that the primary purpose of most of the bureau's JSAs was the acquisition of services for its direct benefit and use, we conclude that the Census Bureau should have used contracts to acquire these services.

IV. Noncompetitive joint statistical agreements with nonprofit organizations were not justified.

The Department allows operating units to undertake joint projects when both of the following conditions exist:¹

- (1) The project is essential to the furtherance of the Department's program, and
- (2) The project cannot be done at all or done as effectively without the participation of the particular nonprofit, research, or public organization.

The Department's policy on participation in joint projects has been incorporated in CAM Chapter K-21. However, we found that the Census Bureau's review procedures do not ensure compliance with the Department's policy. Census program offices are not required to provide written certification that the effectiveness of a proposed joint statistical project requires the participation of a particular nonprofit organization. Nor does the bureau's internal review process provide for an independent review of proposed projects to ensure that they comply with this policy. The bureau has awarded approximately 143 JSAs to nonprofit organizations noncompetitively since fiscal year 1989 at a total estimated cost of \$6.5 million. The services performed under most of these JSAs could have been performed by any number of qualified nonprofit or for-profit research institutions, universities, or firms. In the absence of written certification that these projects were determined to comply with the Department's policy on noncompetitive participation in joint projects, we conclude that the Census Bureau cannot demonstrate that these noncompetitive awards were justified. In addition, we conclude that the bureau would be ill-prepared to defend its JSAs with particular nonprofit organizations in the event of a protest filed by an organization or firm that had not been given an opportunity to compete for an award.

V. Census does not enforce the required cost-sharing provisions of joint statistical projects.

CAM Chapter K-21 sets forth the following policies that apply to the bureau's administration of the required cost-sharing provisions of joint statistical projects:

Program offices must maintain a detailed "record of negotiation" for each JSA that
describes all of the steps of the bureau's negotiations with nonprofit organizations,
including how the respective costs and shares of effort were agreed upon.

¹Department Administrative Order 203-5, "User Charges," as amended.

- Census Bureau payments to nonprofit organizations for work performed under a JSA will be based on actual costs incurred by the participating organization.
- Final payment for work performed under a JSA will be made when documentation of the actual costs of the entire project have been reviewed by the Census Bureau and determined to be complete and acceptable.

However, we found that Census administers its joint statistical agreements with nonprofit organizations like fixed-price contracts, not cost-sharing agreements. The bureau does not review documentation on actual costs to determine whether the costs claimed are reasonable and necessary or whether refunds or reimbursements are due. The bureau's payments to nonprofit organizations are not based on actual costs. Rather, Census Bureau payments to nonprofit organizations are made in accordance with fixed payment schedules set forth in the JSAs. None of the JSA files we examined included the required "record of negotiation" or other written documentation to indicate how the costs of joint projects were determined and apportioned. However, we found that, without exception, the bureau's total payments to nonprofit organizations equaled the total estimated costs identified in the original JSAs and amendments.

In addition, we found that the Census Bureau had never implemented the financial management recommendations from the Office of the Secretary's 1978 audit of the bureau's use of joint statistical agreements. The audit identified the need for greater financial and administrative controls over the award of funds to nonprofit organizations for work performed under joint statistical agreements. The audit report recommended that the bureau amend the language used in its JSAs to clearly state that payments would be based on actual costs. The audit found that the JSAs included conflicting language that indicated that nonprofit organizations would be paid a fixed sum. The report cited two reasons why it was important to clarify JSA payment provisions: (1) the Census Bureau's evaluations of the estimated costs contained in the proposals were not sufficiently precise to allow for fixed-price agreements, and (2) fixed-price agreements would preclude post award audits to recover unused funds and costs improperly charged to the project. However, Census never amended these conflicting payment clauses.

The audit report also stated that the bureau could not provide assurance in the absence of audits that it had paid its fair share of the costs of joint projects. The bureau's revised CAM Chapter K-21 dated December 18, 1980 incorporated the requirement that audits be arranged for all JSAs awarded for amounts greater than \$100,000. However, the bureau has never arranged for the conduct of audits. By failing to arrange for these audits, the Census Bureau has foregone the opportunity to recover unused funds and to identify and disallow costs improperly charged to JSAs. In addition, by failing to clarify the payment provisions of JSAs and to amend its practices accordingly, we conclude that the bureau has not properly

administered its authority under section 8 of Title 13, U.S.C., which provides that the cost of joint projects be shared equitably between the participating parties.

Since most of the JSAs we examined were not for joint projects, cost-sharing probably would not have been appropriate. Subpart 16.303.(b) of the Federal Acquisition Regulation states that cost-sharing contracts may be used when the contractor agrees to absorb a portion of the costs, in the expectation of "substantial compensating benefits." The FAR further states that cost-sharing may not be appropriate when "the particular objective or scope of effort for the project is specified by the Government rather than proposed by the performing organization," or if "the effort has only minor relevance to the non-Federal activities of the performing organization, and the organization is proposing to undertake the effort primarily as a service to the Government." All but one of the JSAs we examined complied with the latter two criteria, although they were not awarded as contracts.

RECOMMENDATIONS

The Director of the Bureau of the Census should implement the following recommendations:

Recommendation #1

Refrain from executing any new joint statistical agreements or amending any existing ones pending the receipt of a written legal opinion from the Department's Office of General Counsel clarifying whether the authority delegated to the Census Bureau by the Secretary of Commerce under Department Organization Order 35-2A, "Bureau of the Census," includes authorization for a special funding instrument.

Recommendation #2

Delegate to a specific management official the authority and responsibility for ensuring that the Census Bureau's participation in joint statistical projects is administered in accordance with section 8 of Title 13, U.S.C., sections 1525 - 1527 of Title 15, U.S.C., relevant federal financial assistance and procurement regulations, and Department of Commerce policies and procedures.

Recommendation #3

Revise the policies and procedures contained in Chapter K-21 of the Census Administrative Manual as necessary to ensure that they comply with relevant federal financial assistance and procurement regulations and Department of Commerce policies and procedures. At a minimum, the chapter should be revised to include the following:

- (a) a policy statement that the Census Bureau's authority to participate in joint statistical projects will be administered consistent with federal financial assistance and procurement laws and regulations and Department of Commerce policies and procedures; and
- (b) policy guidance on Census Bureau participation in joint statistical projects that includes
 - (1) a definition for the term "joint statistical project,"
 - (2) uniform criteria and examples to help program offices equitably apportion the full costs of joint statistical projects between participating organizations, and
 - (3) criteria and examples to help program offices distinguish among and select appropriate funding instruments.

On November 6, 1992, the Census Bureau received a written legal opinion from the Department's Office of General Counsel on the applicability of the Federal Grant and Cooperative Agreement Act of 1977 to Census' authority to engage in joint statistical projects. OGC concluded that joint arrangements are included within the scope of the FGCA, and, thus, must be executed as procurement contracts when they involve the acquisition of property or services for the direct benefit of the government or as cooperative agreements when they involve the transfer of funds or a thing of value to a non-Federal recipient. OGC further concluded that the authority to engage in joint arrangements constitutes neither special procurement authority nor grant authority.

In its response to our draft report, the Census Bureau agreed to all of our inspection recommendations. The Census Bureau plans to work with the Office of the Secretary to ensure that joint statistical projects are administered in accordance with federal financial assistance and procurement laws and regulations and related Department of Commerce policies and procedures. The Census Bureau also plans to revise the policies and procedures contained in Chapter K-21 of the Census Administrative Manual to conform with these laws, regulations, and policies, and to delegate to a specific management official the authority and responsibility for ensuring that the Census Bureau's participation in joint statistical projects is administered properly. (See Attachment 1.)

APPENDIX 1

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			Page 1 of							
<u> </u>	Census Bureau Joint Statistical Agreements (JSA)									
<u> </u>	Fiscal Years 1989 - 1992									
	NAME OF NONPROFIT INSTITUTION	CENSUS BUREAU FUNDING	NUMBER OF JSAs							
1.	University of Chicago, National Opinion Research Center	\$ 1,041,649	2							
2.	University of Michigan	667,105	7							
3.	University of Maryland	488,160	12							
4.	Iowa State University	477,705	6							
5.	Harvard University	454,902	5							
6.	The Urban Institute	324,388	8							
7.	University of Puerto Rico	315,790	1							
8.	Carnegie Mellon University	230,000	1							
9.	University of Illinois	197,500	3							
10.	Northwestern University	146,276	3							
11.	University of Toledo	125,478	4							
12.	Research Triangle Institute	112,906	3							
13.	Ohio State University	110,000	1							
14.	University of California, L.A.	103.723	3							
15.	University of Texas	96,856	4							
16.	Penn State University	69,650	1							
17.	University of Wisconsin	68,614	1							
18.	University of So. California	57,274	1							
19.	Arizona State University	55,107	1							
20.	Coppin State College	50.239	3							
21.	University of Houston	50,153	2							
22.	Social and Econ. Science Center	48,913	1							

	Census Bureau Joint	Statistical Agreements (JSA)	rage Z
		ears 1989 - 1992)
	NAME OF NONPROFIT INSTITUTION	CENSUS BUREAU FUNDING	NUMBER OF
23.	University of Iowa	47,917	2
24.	Duke University	46,846	1
25.	University of Oregon	45,955	1
26.	Brown University	45,000	1
27.	Kansas State University	44,487	1
28.	Nathan Kline Institute	43,055	2
29.	University of New York	38,000	2
30.	University of NC, Wilmington	35,346	2
31.	American Statistical Assn.	35,323	1
32.	University of Massachusetts	34,545	1
33.	Broward Co. Comm. Serv. Council	33,323	2
34.	Zentrumfor Umfragren Methoden & Analysen	32,774	1
35.	City University, NY, Rsch. Found.	30,052	2
36.	North Dakota State University	30,000	1
37.	Columbia University	29,993	1
38.	Fla. International University	29,956	2
39.	Southern Illinois University	29,869	2
40.	Tulane University	27,321	2
41.	Centro De Estud. Microeconomics	25,000	1
42.	University of Florida	25,000	2
43.	Hampton University	25,000	1
14.	National Governors' Assn.	22,500	3

	rage 3 of										
<u></u>	Census Bureau Joint Statistical Agreements (JSA)										
Fiscal Years 1989 - 1992											
	NAME OF NONPROFIT INSTITUTION	CENSUS BUREAU FUNDING	NUMBER OF JSAs								
45.	SUNY at Albany	22,000	1								
46.	Intertribal Friendship House	20,000	1								
47.	Chinese for Affirmative Action	20,000	1								
48.	University of Maine	18,646	1								
49.	New Mexico State University	18,071	2								
50.	University of Minnesota	18,000	1								
51.	University of Washington	17,960	1								
52.	University of Sacred Heart	16,727	1								
53.	Center of Studies at Argentina	15,600	1								
54.	University of New Mexico	15,161	1								
55.	Michigan State University	15,023	1								
56.	Chicano Federation of San Diego	15,000	1								
57.	Institute of St. Louis	15,000	1								
58.	San Francisco State Univ.	15,000	1								
59.	Johns Hopkins University	14,998	1								
60.	Korean Youth Center	14,998	1								
61.	Louisiana State University	14,930	1								
62.	Los Angeles Health Care	14,910	1								
63.	Inst. for Community Research	14,880	. 1								
64.	Oklahoma State University	14,843	1								
65.	Telegraph Hill	14,164	1								
66.	Hispanidad	13,750	1								
67.	Community Housing Partnership	13,448	1								
58.	University of Oklahoma	13,081	1								
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	Census Bureau Joint Statistical Agreements (JSA)									
	Fiscal Years 1989 - 1992									
·	NAME OF NONPROFIT INSTITUTION	CENSUS BUREAU FUNDING	NUMBER OF JSAs							
69.	University of Mississippi	11,094	1							
70.	Native American Educational	11,036	1							
71.	Alaska Native Foundation	10,000	1							
72.	North Park College	9,527	1							
73.	Minnesota Indian Womens' Center	9,457	1							
74.	University of Wellington	9,200	1							
75.	United Cambodian Commission	8,212	1							
76.	Guadamee Community Health Center	7,516	1							
77.	University of DC	2,815	1							
	TOTAL	\$ 6,468,374	143							

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		Nonprofit	Representative	Not specified.									.			
		Census Bureau	Representative												(Need to locate copy of JSA)	į
	Period	Jo	Performance 4	08/01/90 - 04/30/92*	····	09/04/90 - 06/28/91*		09/01/90 - 02/28/92*		09/30/90 - 09/30/92*		04/01/91 -			09/01/91 - 03/31/93	
		Total Petimeted Cons	litatica COSC	\$ 48,634	\$ 62,190*	\$ 40,000	\$ 50,357	\$ 97,295	\$ 128,147	\$ 32,073	\$ 42.543	1 1	\$ 28,620		\$ 181,103	\$ 231,540
		Total Reti		Census Bureau University	Total	Census Bureau University	Total	Census Bureau University	Total	Census Bureau University	Total	Census Bureau University	Total		Census Bureau University	Tota!
		JSA Number, Title, Delivernbles ²	JSA-90-28: "Attrition and Till	Effects in the Survey of Income and Program Participation (SIPP): Model	Development"	JSA-90-32: "Longitudinal Migration of Young Adults: Cohort Comparisons"	The University will provide the Census Bureau with eighteen SAS workfiles and a manuscript reporting the findings of the analyses conducted under the JSA.	JSA-90-36: "Some Nonsampling Error Considerations in Analyzing Program Participation in the SIPP"		JSA-90-54: "Designing Quick Response Surveys for Economic Programs"		JSA-91-11: "Metropolitun Concepts and Statistics"	The University will provide two update/progress reports, present the draft report at a conference to be held in the fall of 1991, and revise the draft report to take into account changes suggested at the	control ellipse.	JSA-91-18: "Longitudinal Imputation in the SIPP"	
Name of	Nombrofit	Institution	University of	Michigan		University of Michigan	/	University of Michigan		University of Michigan		University of Michigan		十	Michigan	

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Nonprofit Institution	DANIE IN COLOR OF THE COLOR OF					
Census Bureau	Data User Services Division					
Period of Period	- 16/61/60 09/30/93	05/01/90 -		09/24/90 - 09/30/91	04/01/89 - 08/31/89	
Total Estimated Cost ³	Census Bureau \$ 250,000 University \$ 267,000 External \$ 427,500 Total \$ 944,500*	in the JSA. \$ 960,000 85,513	51,045,513	\$ 81,649 21,228 \$ 102,877	\$ 30,168 22,101	\$ 52,269
Total Est	Census Bureau University External Total	is not specified in the JSA. Census Bureau \$ 960.(University 85.5		Census Bureau University Total	Census Bureau University	Total
JSA Number, Title, Deliverubles ²	JSA-91-22: "A Cooperative Effort to Provide the Academic Community with Access to 1990 Census Computer-Tape Data Products" The University, through the ICPSR, will provide the academic community with effective and effective an	computer-tape data products from the 1990 decennial census. 1SA-90-22: "Analyzing Attitudes and Characteristics that Affect the Decision to Participate in the Decennial Census"	NORC will collect and analyze data that will produce an understanding and comparison of the characteristics and attitudes of the population based on their participation or nonparticipation in the mail component of the Census. The University will pravide a data tape, an order book, and copies of the questionnaire with its final report.	JSA-90-60: "Assessing the Total Error in the 1990 Post-Enumeration Survey."	JSA-89-10: "Evaluation of the 1989 Pilot Test of Alternate Methods to Count the Homeless"	The University will provide an interim report on the progress of the work, the master list and record data compiled, and a final report.
Name of Nonprofit Institution	University of Michigan, (ICPSR)	University of Chicago, National Opinion	Research Center (NORC)	University of Chicago, (NORC)	University of Maryland	

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ij waado.N	Institution	Kepresentative							University of Chicago.
	Census Bureau								
Perind	of Performent	06/10//90 -	Cl.OSED (08/10/90)	09/30/91	CL.OSED (12/12/91)	09/30/89 -	CI.OSED (12/17/91)	04/01/90 -	
	Total Estimated Cost	\$ 31,478 32,550	\$ 64,028	\$ 45,000	\$ 65,285	\$ 24,995	\$ 33,408	\$ 20,015*	, iii
	Total Esti	Census Bureau University	Total	Census Bureau University	Total	Census Bureau University	Total	Census Bureau University Total	*This JSA does not involve a transfer of funds.
	JSA Number, Title, Deliverables ²	JSA-89 14: "Applying Mathematical Programming Algorithms to Statistical Problems"	The University will develop and implement algorithms for complementary suppression in statistical tables using FORTRAN.	JSA 89-20: "Parallet Processing for Geographie Applications"	The University will evaluate one or more computerized systems for loading and processing existing databases (TIGER, QUILT), and some relational database on the Connection Machine.	JSA-89.32: "Efficient Joint Triangulation for Mapping"	The University will develop and implement algorithms to streamline joint triangulation operations used by the Census Bureau.	JSA-90-14: "Investigations of Gross Umployment Change Measures for Development as Census Bureau Economic Data Products"	
Nume of Nonprofit	Institution	University of Maryland		· University of Maryland		University of Maryland		University of Maryland	

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	Nonmer	Institution	Representative					
		Census Bureau	Representative					
	Period	Jo	r critorinalice	07/01/90 - 06/30/91	CLOSED (11/06/91)		02/01/91 - 08/01/92*	
		Total Estimated Cost3		\$ 37,504	\$ 93,642		\$ 21,000	\$ 30,198
		Total Esti		Census Burcau University	Total		Census Bureau University	Total
	<u></u>	JSA Number, Title, Deliverables ²	ISA.00.31: "It.i	Find Complementary Suppress Cells in Three Dimensional Tabular Data"*	The University will develop and implement algorithms for complementary suppression in three-dimensional statistical tables using FORTRAN.	*The project description and deliverables of this JSA are similar to those of JSA-89-14.	JSA-91-05: "Interviewer Assignment and Routing"	The University will acquire programmable geographic information system and transportation planning software packages for IBM/AT compatible microcumputers and evaluate them in terms of their capabilities for integrating Census Bureau geographic, cartogerphic, and statistical data. The University size will design and implement algorithms for routing Census Bureau interviewers. The algorithms will be designed to interface with one of the transportation planning software packages tested.
Name of	Nonprofit	Institution	University of	Maryland			University of Maryland	

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Nonprofit Institution	Representative			
Census Burcau	representative			
Period of Performance	02/01/91 - 07/31/92*		02/01/91 - 02/01/92	CLOSED (12/04/91)
Total Estimated Cost ³	6,143	\$ 21,143	\$ 25,000	\$ 37,293
Total Est	Census Bureau University	Total	Census Bureau University	Total
JSA Number, Title, Deliverables ²	JSA 91 09: "Sputin! Orders for Census and Sampling Applications"	The University will evaluate alternative strategies for ordering spatial data that are used by the Census Bureau and implement various sample point selection routines. The results of the evaluation will be used to enhance, streamline, or supplement TIGER-based applications developed at the Census Bureau.	JSA-91-10: "Parallel Computing for Consus Applications"	The University will plan advanced computer studies on census applications, with an emphasis on parallel computing and will educate and train Census Bureau staff in advanced computing techniques.
Name of Nonprofit Institution	University of Maryland		University of Maryland	

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Nonprofit			Period		Nonne
Institution	JSA Number, Title, Deliverables ²	Total Estimated Cost ³	of Performance	Census Bureau	Institution
University of Maryland	JSA-91-19: "Advanced Strategies for Finding Complementary Suppressions in Complex Tables"*	Census Bureau \$ 42,000 University 50,148	07/01/91 - 07/01/92	SALE STATES	Representative
	The University will evaluate afternative strategies such as mathematical programming for determining complementary suppressions in tables similar to those that are used by the Census Bureau and implement various cellsuppression routines. Research will provide the Census Bureau with justification for enhancing cell-suppression strategies currently in use at the Census Bureau.	Total \$ 92,148			
	*The project description and deliverables of this JSA are similar to those of JSAs 89-14 and 90-31.				
University of Maryland	JSA-91-33: "Parallet Computing for Census Applications"*	Census Bureau \$ 175,000 University 41,446	10/01/91 -		
•	The University will plan advanced computer studies on census applications with an emphasis on parallel computing, and will educate and train Census Bureau staff in advanced computing techniques.	Total \$ 216,446			
	*The title and purpose of this JSA are identical to those of JSA-91-10.				

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Nonprofit	Institution	Representative			<u>-</u>	
	Census Bureau					
Period	of Performance	02/25/89 - 12/31/89 CLOSED	(04/18/90)	08/01/90 - 10/01/92*	`	07/01/90 - 12/31/90
	Total Estimated Cost ³	Census Bureau \$ 49,994 University 50,003 Total \$ 99,997		Census Bureau \$ 48,405 University 50,006 Total \$ 98,411		Census Bureau \$ 75,000* *Project fully funded by the Census Bureau.
·	JSA Number, Title, Deliverables ²	JSA-89-04: "Analysis and Verification of Income Data from the 1984 Panel of the Survey of Income and Program Participation (SIPP)"*	The Urban Institute will prepare two research papers, one of which will be submitted for presentation at the American Statistical Association meetings in August 1989. The second report, which will serve as the final deliverable, will be due on 12/31/89.	JSA-90-27: "The Dynamio Relationship Between Household Events and Monthly Income and Program Participation: The Survey of Income and Program Participation (SIPP) and the Panel Study of Income Dynamics**	The Urban Institute will submit quarterly progress reports and prepare two research papers, the first of which is to be submitted for presentation at the 1991 meetings of the American Statistical Association. The draft of the first paper was due on March 31, 1990. The draft of the second paper was due on July 31, 1991.	JSA-90-37: "Demographic Analysis Estimates of Census Undercount and Undocumented Immigration"
Nonprofit	Institution	The Urban Institute		The Urban Institute		The Urban Institute

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Nonprofit Institution	Representative	•		
Census Bureau	Kepresentanve			
Period of	08/01/90 - 11/31/90*		12/31/91 12/31/91	
Total Estimated Cost ³	au \$ 13,181 4,135	\$ 17,316	s 24,702	
Total B	Census Bureau University	Total	Gensus Bureau University Total	
JSA Number, Title, Deliverables ²	JSA-90-40: "Methods of Counting Homeless Persons"	Lensus Bureau will countrie and and and brid by the Census Bureau will countrie two papers. The first paper will address the methods and assumptions used to arrive at a national estimate of the size of the homeless population in the Burt-Cohen study done for the Food and Nutrition Service of the U.S. Department of Agriculture. The second puper will covers the subject, "Introduction to Methods Used for Counting Homeless Persons and Implications of Methods for Counts."	JSA-91-30: "Developing Survey Methodologies for Counting Homeless Persons." The Census Bureau plans to design a federal survey on homeless persons that will estimate the total national homeless population. The Bureau will consult with participating Federal agencies and relevant outside researchers in developing the survey design. The Urhan Institute will provide summary papers and draft documentation on recommended procedures which will address the various issues in the design and	development of the Federal survey.
Name of Nonprofit Institution	The Urban Institute		The Urban Institute	

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	Nonprofit Institution	Kepresentative				
	Census Bureau	a contraction				
	Period of	12/01/91 - 04/30/92*		04/13/92 - 08/14/92		
1	Total Belimeted Cond	Census Bureau \$ 40,003	Total \$ 50,041	Bureau	Total \$ 34,795	
	JSA Number, Title. Delivembles ²	JSA-92-01: "Designing a Federal Survey to Estimute the Total National Homeless Population"	*The objectives and deliverables of this JSA are identicial to those of JSA-91-30, above.	JSA-92-04: "Designing a Federal Survey to Count the Number of Homeless Persons Who Use Service Facilities"	The Census Bureau plans to design a federal survey that will provide national estimates of the literally homeless population who use services. The survey will be designed to provide data comparable to the 1987 Urban Institute survey on homeless persons in cities of 100,000 or more. If funding is available, a pretest will be conducted in 1993 and the survey in 1994.	The Urban Institute will finalize the survey questionnaire and the procedures for obtaining the list of service providers, develop detailed written descriptions of the survey procedures, and provide the Census Bureau with a research paper that recommends ways to evaluate coverage in rural areas.
	Name of Nonprofit Institution	The Urban Institute		The Orban Institute		

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Nonprofit Institution	vepraculative					
Census Bureau Representative						
Period of Performance	06/01/92 - 06/01/93		06/01/89 - 05/31/90	06/01/90 - 01/31/92 CLOSED (06/05/92)	08/15/91 - 02/14/93*	09/23/91 - 01/31/93*
Total Estimated Cost ³	\$ 50,000	\$ 75,000	\$ 59,860 69,286 \$ 129,146	\$ 125,355 125,393 \$ 250,748	\$ 101,316 104,662 \$ 205,978*	\$ 68,391 69,493 \$ 137,884
Total Estin	Census Bureau Institute	Total	Census Burcau University Total	Census Bureau University Total	Census Burcau University Total	Census Bureau University Total
JSA Number, Title, Deliverables ²	ISA-92-06: "Improving the Statistical Infrastructure"	The Urban Institute will write a series of documents on the organizational and substantive problems of the U.S. statistical system and on proposals for administrative and legislative arrangements to improve its operation. In addition, the Institute will begin development of a plan for a Presidential Commission to review public policy needs for statistical data and to establish priorities for reform.	JSA-89-08: "Evaluation of the Post- Enumeration Survey for Sensitivity to Measurement and Matching Error due to Nonresponse."	JSA-90-23: "Evaluation of Imputation Strategies and Computer Matching Errors for the Post-Enumeration Survey."	JSA-91-20: "Statistical Analysis of Computer Linked Files" The University will develop methods for analyzing files that have been linked using various computer matching algorithms.	JSA-91-31: "Research on Missing Data and Post Enumeration Survey Evaluation Methods"
Name of Numprofit Institution	The Urhan Institute		Harvard University	Harvard University	Harvard University	Harvard University

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Nonprofit Institution	Representative	Center for	Advanced Studies on Government Management				
Census Bureau	Representative						
Period	Periormance	02/17/90 -		01/01/91 -	01/01/90 - 12/31/90	08/31/90 - 06/30/91	CLOSED (09/18/91)
Potal Betimated Cons	\$ 100,000	\$ 315,790	\$ 601,612*	\$ 93,600 49,331 \$ 142,931*	\$ 70,000 44,748	\$ 19,505	\$ 31,464
Total Reii:	Census Bureau	Census Bureau University	- Total	Census Burcau University Total	Census Bureau University Total	Census Bureau University	Total
JSA Number, Title, Deliverables ²	JSA-92-09; Award pending.	JSA-91-04: "Institute for Hemispheric Studies Continuing Support"	The JSA is bused on a Memorandum of Understanding between the Census Bureau, the University of Pherto Rico, and the Center for Advanced Studies on Public Management, on the establishment of an Institute for Hemispherio Studies, an independent public corporation, under the laws of the Commonwealth of Puerto Rico, a Census Bureau management offices, was designated to serve as the Institute's Director. The end product of the JSA is an operational hemispheric studies program.	JSA-89-02: "Estimation for Survey Data"	JSA-90-07; "Topics in Survey Estimation"	JSA-90-41: "Estimation of Model Variance in Empirical Bayes Smoothing"	
Name of Nonprofit Institution	Harvard University	University of Pherto Rico		Iowa State University	lown State University	lowa State University	

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	Census Bureau	Representative Representative								
	Period of	01/01/91 - 12/31/91		10/01/91 - 12/31/92			10/01/91 - 09/30/93		10/01/90 -	CLOSED
,	Total Estimated Coats	u \$ 93,600 49,331	\$ 142,931*	\$ 111,000	\$ 167,545*		\$ 230,000	\$ 331,106	\$ 15,700	\$ 31.222
	Total Es	Census Bureau University	Total	Census Bureau University	Total	Census Bureau	Census Bureau University	Total	Census Bureau University	Total
	JSA Number, Title, Deliverables ²	JSA-91-01: "Estimation for Survey Data"		JSA-91-21: "Statistical Analysis of Surveys"		JSA-92-07: Award pending	JSA-91-25: "A Comparative Evaluation of Parallel Computing Environments for Statistics"	The University will evaluate the effectiveness of three computer systems for stutistics. The JSA states that the results of the evaluation could influence the choice of future Census Bureau computer systems.	JSA-90.49: "Stochastic Propagation of Error in Population Forecasts"	
	Name of Nonprofit Institution	lowa State University		lowa State University		lown State University	Carnegie Mellon University		University of Illinois	•

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Name of Nonprofit				Period		Nonomft
Institution	JSA Number, Title, Deliverables ²	Total Estimated Cost	ed Cost	of Performance	Census Bureau Representative	Institution
University of Illinois	JSA-91-06: "Developing and Evaluating Reinterview Methods and Questionnaires"	Census Bureau University	\$ 84,500 34,600	02/01/91 - 06/30/92		
	The university will develop reinterview procedures that provide estimates of restrates him and an income.	Total	\$ 119,100			
	cognitive aspects of reinterview					
	of reinterview procedures, and provide afternative methods for systematically		-			
	evaluating the quality of survey data through reinterview procedures.					
University of Illinois	JSA-91-29: "Developing and Evaluating Reinterview Methods and Questionnaires"*	Census Bureau \$ University	34,600	08/01/91 -		
	*The title and purpose of this JSA are identical to those of JSA-91-06.	Total \$	\$ 131,900			
	-	Census Bureau \$ University	\$4,197,199 \$1,981,770			
TOTAL	45 Joint Statistical Agreements	Total \$	\$6,178,969			

1. Sample included JSAs with nine nonprofit organizations that received more than two-thirds of the total amount of funds awarded by the Census Bureau for work performed under joint statistical agreements since fiscal year 1989.

2. JSA deliverables include periodic (monthly, quarterly, or mid-term) progress reports and a final report unless otherwise specified.

3. Asterisk denofes an increase in estimated costs due to an approved expansion in the scope of work to be performed under the JSA.

4. Asterisk denotes an approved extension of the project completion date,



UNITED STATES DEPARTMENT OF COMMERCE Bureau of the Census

Barbara Event Brya

Washington, DC 20233-0001

OFFICE OF THE DIRECTOR

ATTACHMENT 1

TAN 14 1993

MEMORANDUM FOR Frank DeGeorge

Inspector General

Office of Inspector General

From:

Barbara Everitt Bryant

Director

Bureau of the Census

Subject:

Draft Report on Inspection of the Census Bureau's

Administration of Joint Statistical Projects

(SED-5049-XXX)

We appreciate the opportunity to comment on the subject report, and agree with the report's recommendations. The Census Bureau has in good faith used Joint Statistical Agreements (JSAs) for the past 30 years to achieve important research and program objectives.

We concede there have been cases where the use of a JSA has been ambiguous; we believe, however, the JSA mechanism is effective and should be continued. In order to do so, we obtained a General Counsel decision on their use as you suggested. That decision recognizes the basic authority to enter into JSAs, but will require us to apply the procedures extant for either (a) contracts, or (b) cooperative agreements. We are hopeful that the additional procedural requirements will not unduly impinge on our continued use of JSAs to achieve our mission.

We intend to proceed along two basic paths. First, we will work with the Department of Commerce (DOC) to put in place the necessary process, procedures, and controls to assure we comply with the basic findings of your report with respect to the use of cooperative agreements. Second, we will assess the feasibility of meeting our legitimate JSA requirements through the application of either contract instruments or cooperative agreements. As suggested, should we find the need for additional legislative authority in Title 13, or otherwise, we will pursue that objective in concert with the DOC.

SPECIFIC COMMENTS:

Below, we show specific comments on statements included in the draft report, referenced by their location in the report.

Page 2, line 1 - "... for the past 20 years." This should be changed to "30 years." The Census Bureau instituted the first agreement in the time frame of 1959-1962.

Page 9, line 1 - "... a draft and final report, and a data tape, an order book ..." should read "... a data tape, a code book ..."

In response to the recommendations, we agree we will:

- o Administer our joint statistical projects under the established federal financial assistance and procurement laws and regulations and Department of Commerce policies and procedures, in light of the Office of the General Counsel opinion.
- o Designate a management official with the authority and responsibility for ensuring that the Census Bureau's participation in joint statistical projects is administered correctly.
- o Revise the policies and procedures contained in Chapter K 21 of the Census Administrative Manual as necessary to ensure that they comply with relevant federal financial assistance and procurement regulations and Department of Commerce policies and procedures.